

Caribbean E-Outlook is a publication of the U.S. Small Business Administration Puerto Rico and U.S. Virgin Islands District Office

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## Great Things Spring in Auto-Mechanics

### SBA Borrower Expands Technical College, Exceeds \$7 Million, Wins District SBPOY Award

Benjamin Disraeli once said that great things spring from casualties.

Then, there are those who do not believe in casualties, rather a following of the path that has been laid out before them. We are what we choose, some people believe; people like Edwin Colón-Cosme.

It is no casualty that Edwin returned to his native Puerto Rico in 1989, after more than a decade of living abroad. Call it a longing to return to his roots, call it homesickness, or call it love, for, after all, it was on the Island of Enchantment that his future wife María del Carmen awaited.

Soon after Edwin and his bride settled down, he took over the administration of the Caguas Institute of Mechanical Technology (MECH-TECH), which his father had founded years before, with campuses in the cities of Caguas and Bayamón.



During his years as Administrator, he utilized his experience in electronics and information technology to recommend and implement full accounting systems with cost control aimed at stabilizing short term investments to provide for future growth.

As liaison between government agencies and MECH-TECH, contracts were obtained to expand educational services. He put in place computerized systems to handle school management requirements and federal Title IV record keeping requirements. He also restructured financial reporting, maintenance schedules, and inventory controls.

In 1995, Edwin applied for a \$1 million loan under SBA's 504 Program and became sole proprietor of MECH-TECH. At that time, the Institution had less than 500 students enrolled and less than \$2 million in revenues. Since then, MECH-TECH has expanded to the western coast of the Island by inaugurating a campus in Mayagüez, and will soon open a fourth one in Vega Baja.

## Virginia Owners of Pet Products Company Are Selected National Small Business Persons of the Year During NECE

**The owners of a pet products business whose Richmond, Virginia-based company started at home with \$5,000 and two used sewing machines were named *National Small Business Persons of the Year*, during ceremonies held at the National Entrepreneurial Conference and Expo.**

Sharon E. Bennett and Evan C. Wooten and their company, Premier Pet Products, sell and produce collars, leashes and other specialty pet products that “improve the relationships between people and their pets.”

Bennett’s life changed in 1988, when her family adopted a retired greyhound racing dog whose career had come to an end. Saddened by the idea that most retired greyhounds are put to death, she founded the Richmond Chapter of Greyhound Pets of America to promote more adoptions. A year later, with a \$5,000 loan in her pocket, she bought two used sewing machines and a few boxes of raw materials, and started making innovative dog collars and leashes at home.

Bennett’s self-taught business and marketing abilities led to a request from a local dog trainer for a new kind of collar so that dog owners could have better and more humane control over their pets. Her efforts led to a new halter collar called the Easy Walker, and later to another called the Gentle Leader. Both products were in line with Bennett’s passion for creative, fun, fashionable and humane products.

From that start, Premier Pet Products – with the help of an SBA-backed loan – now distributes its products directly to 10,000 independent pet supply retailers, veterinarians and dog trainers, as well as the big-box pet specialty chains. Bennett brought Wooten in as a partner in 1998 to help her manage the fast-paced growth of the company, and since then, employment has grown to 114 and sales have leapt from 50 to 70 percent per year, to more than \$10 million last year.

“People often ask what’s ‘hot’ in small business, and Premier Pet Products proves that *innovation* is what’s hot in small business. Small business success happens when entrepreneurs like Ms. Bennett and Mr. Wooten identify a need and fill that need with a product or service.

In this case, Ms. Bennett’s invention, and her personal commitment to animals, filled a need that is part of a \$30 billion industry – that’s what Americans spend on their pets every year,” said SBA Administrator Hector V. Barreto. “Small business is the premier source of American innovation, and Premier Pet Products is a great example of that fact.”

The first runner-up this year in the national competition is Joanne Stockdale, president and owner of Northern Iowa Die Casting, Inc., maker of quality alloy castings for manufacturing clients in Lake Park, Iowa. The second runner-up is Paula Hiers Deen, owner of the Lady & Sons Restaurant, caterer and cookbook writer in Savannah, Ga.

Joanne Stockdale bought Northern Iowa Die Casting, Inc. in 1984 when it was on the brink of failure, down to six employees, obsolete equipment and a single customer. With the help of an SBA-backed loan, she and her husband turned the company around. Today, Northern Iowa Die Casting, Inc. has 100 employees casting eight different alloys on 11 casting machines. The company manufactures zinc and aluminum castings for original equipment manufacturers in seven states and five countries. Sales have gone from \$225,000 in 1984 to \$10 million in 2002 – an astounding 4,344 percent increase. Between 1996 and 2002 alone, sales doubled from \$5 million to \$10 million.

Paula Hiers Deen has published best selling cookbooks based on the menu at her popular “The Lady & Sons” restaurant in Savannah, but her climb to the top in the culinary world reads more like a bestselling novel – the story of an agoraphobic single mother who started a tiny catering operation in her own kitchen with \$200 in cash and grew it into a \$2 million a year business that has been featured from *USA Today* to the *Oprah Winfrey Show*.

Her deft hand in the kitchen, combined with a dedicated staff and her flair for the dramatic, have set her restaurant apart. Singing waiters and waitresses, an innate Southern charm to her place, and her signature cheese biscuits have pushed her business to the top of the charts in Savannah, with a staff of 60 and sales topping \$2.6 million per year.

## Continued from cover...

Student enrollment is currently at 2,200 and revenues have surpassed \$7 million, supporting 190 jobs among all three existing campuses. Great strategies and well-executed decisions have placed MECH-TECH in a prominent position within the educational community. But the path he chose has not necessarily been without bumps --in a field where 99% of graduates are men-- and Edwin has tried to change the educational philosophy.

“It has been difficult for me to convince women to go into a non-traditional occupation or line of work,” he admits. “Women, for example, are the best Tool and Die makers because they have the patience and creativity needed. Also, it’s not easy convincing parents that not everyone needs to be an attorney, or a doctor, or an architect. There are benefits in mechanical technology.”

### UPCOMING EVENTS

#### Region II 50<sup>th</sup> Celebration

**Date:** October 20, 2003

**Place:** Syracuse, New York

**Location:** Onondaga County Convention Center

**9:30 AM – 1:30 PM**

Resource Partner Displays and Networking

**10:00 AM – 11:15 AM**

Small Business Roundtable

**11:30 AM – 1:00 PM**

50<sup>th</sup> Anniversary Luncheon and District Director Choice Awards

In spite of the pebbles he has stumbled upon, the entrepreneur thrives on the knowledge that MECH-TECH makes great contributions to Puerto Rico’s economy. As part of its mission, and as required by the Accrediting Council for Continued Education, MECH-TECH finds employment for 70% of its graduates. Last year, MECH-TECH became the only institution to offer associate degrees in Tool and Die Maker Technology and Industrial Electro Mechanics. The Institution continues to expand its services to meet demands in the areas of computerization, modern Tool and Die shops, and industrial mechanics.

Under Edwin’s direction, MECH-TECH has obtained long-term training relationships with industry leaders such as Pep Boys, Daimler-Chrysler, Honda, Acura, and General Motors.

In addition, MECH-TECH is proud to have built the fastest drag race Toyota in the world and sponsors Puerto Rico’s first national drag racing team, which belongs to the National Hot Rod Association and won a Summit Championship in 2001.

“We have to prove ourselves year after year, but there is one thing, however, that has made the journey so much easier. I look out the window and see people who will have a job; heads of families who are making great contributions to the community,” Edwin concludes.

Edwin Colón-Cosme was recently selected Small Business Person of the Year for the district of Puerto Rico & the US Virgin Islands.

### Banco Popular Honored with Export Lender Award

Banco Popular de Puerto Rico was bestowed the U.S. Small Business Administration’s 2003 Export Lender Award, presented during the National Entrepreneurial Conference and Exposition Sept. 17–19 in Washington, D.C., as part of the Agency’s 50<sup>th</sup> anniversary celebrations. Also recognized were Citizens Financial of Providence, R.I.; Fifth Third Bank of Cincinnati, OH; Center Bank of Los Angeles.

“These banks have been actively involved in helping small businesses with their export financing needs locally and nationally,” said SBA Administrator Hector V. Barreto. “Their willingness and commitment to lend their financial backing and technical expertise to small exporting firms have often made the difference between failure and success, and that’s why we are recognizing them.”

Recognized for its role in providing financial assistance to small businesses involved in exporting, Banco Popular’s selection was based largely on number of loans made for the last five years, with emphasis on fiscal 2002, in two of the main SBA export loan programs: the Export Working Capital Program and the Export Express Program.

Accepting the award on behalf of Banco Popular was Emilio Piñero, executive vice president and supervisor of the Commercial Banking Group. This is the first time the SBA has recognized lenders with the Export Lender Awards.

## LOAN PRODUCTION IN PR & USVI (AS OF 8/31/03)

Lender / CDC	# of Loans	\$\$\$ Value
Banco Popular de Puerto Rico ♦	501	\$47,728,200
Banco Santander Puerto Rico	116	\$15,706,900
Banco Bilbao Vizcaya Argentaria	46	\$4,221,900
Scotiabank de Puerto Rico	7	\$764,600
Grow America Fund, Inc.	6	\$921,000
FirstBank VI	3	\$365,000
Business Loan Center	2	\$1,206,000
Eurobank	2	\$392,760
RG Premier Bank	2	\$250,000
Doral Bank	2	\$215,000
Economic Development Bank for PR	1	\$322,000
Cooperativa de Ahorro y Crédito Aguada	1	\$210,000
Government Development Bank VI	1	\$50,000
Marketing Development Corp. *	20	\$8,108,000
COFECC*	10	\$5,489,000
North PR Local Development *	4	\$2,221,000
PR Business Development Corp. *	1	\$675,000

♦Includes loans in VI

\* CDC



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